



Building NZ Transport and Infrastructure

Discussion Document

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Introduction from National Party Leader Simon Bridges

Transport and Infrastructure is deeply personal for New Zealanders. We use it to get home at night to see our families, our businesses rely on it to grow and succeed, and it allows us to access world-class public services. National gets on and builds things – whether it is first-rate social and economic infrastructure or Roads of National Significance, New Zealanders have come to know National as the party that delivers on its policies. I saw first-hand what new roads and infrastructure meant to New Zealanders when I was Minister of Transport and Economic Development.

This Government has cancelled or stalled all of the former National Government's plans to get New Zealand moving and growing. This ultimately means New Zealanders are worse off. It will also have repercussions that will roll on for years and years to come. Cancelling and delaying roads that reduce congestion, improve safety and get New Zealand moving will not only slow down our economy but mean fewer opportunities for New Zealanders.

This document proposes a number of ways to get New Zealand moving again, and how we will tackle some of the real challenges this country faces.

We need to ensure New Zealand's infrastructure is fit for purpose for the 21st century. That means not just having the economic infrastructure that will grow the economy and create jobs, but the social infrastructure that will see our kids taught in world-class facilities and give us access to healthcare to stop us getting sick.

Transport touches almost every aspect of our lives on a daily basis. New Zealanders need transport infrastructure that is reliable, efficient, effective, and safe. Whether it is Let's Get Wellington Moving, delays with major transport projects like the Tauranga Northern Link or the City Rail Link, the Government has proven time and time again it cannot deliver the transport infrastructure New Zealanders deserve. We will make sure we do.

"We need to ensure New Zealand's infrastructure is fit for purpose for the 21st century. That means not just having the economic infrastructure that will grow the economy and create jobs, but the social infrastructure that will see our kids taught in world-class facilities and give us access to healthcare to stop us getting sick."

This document raises a number of questions and proposals we want to get your feedback on. We want to hit the ground running and have an infrastructure plan that gets New Zealand growing and moving again.



Simon Bridges

National Party Leader
Leader of the Opposition





Introduction from Paul Goldsmith

National's Infrastructure Spokesperson

Few would argue that New Zealand doesn't need to seriously increase its investment in infrastructure over the coming decades.

High levels of congestion and ageing infrastructure are holding back this country's productivity and increasing the cost of doing business, making our products less competitive.

Our quality of life also suffers when we have to sit in traffic and live with creaky wastewater and stormwater systems that dirty our rivers and beaches.

The previous National Government significantly increased investment in transformative infrastructure projects, including the Waterview Tunnel, the City Rail Link, the electrification of Auckland's commuter rail network, the rollout of Ultra-Fast Broadband, the Rural Broadband Initiative and the Roads of National Significance.

However, National recognises we need to build on that and do more. We are focused on delivering the infrastructure New Zealand needs by:

1. Developing a long-term pipeline of infrastructure projects that doesn't frequently chop and change
2. Focusing on reducing the cost structure of infrastructure provision so that we can get more for our money

"High levels of congestion and ageing infrastructure are holding back this country's productivity and increasing the cost of doing business, making our products less competitive."

Hon Paul Goldsmith

National's Infrastructure Spokesperson

3. Innovating with funding and financing mechanisms so that we are relying less on Crown and council balance sheets.

As a country, we've been too conservative in the past. National is developing a long-term vision for infrastructure with a clear pipeline of work in place.

We have worked constructively with the Government on its Infrastructure Commission. However, we note that it will not work if highly ideological positions are taken by the Government of the day.

National will undertake regulatory reform to reduce the cost of building. We will be open to innovative funding and financing mechanisms that will deliver high-quality, long-lasting infrastructure faster.

More broadly, National will restore business confidence, revive our economy and lift our aspirations so that we can truly be the best little country in the world.

A handwritten signature in blue ink that reads "Paul Goldsmith".

Hon Paul Goldsmith

National's Spokesperson for Infrastructure



The Infrastructure Pipeline

"A pipeline helps set priorities; it demonstrates a programme of work to attract global players, which increases competition and skill levels."

Hon Paul Goldsmith

Spokesperson for Infrastructure

New Zealand has a rapidly growing population and many ageing pipes and roads, so it is critical we have a clearly agreed, ambitious pipeline of major projects set down for the coming decades to keep building and rebuilding our infrastructure.

A pipeline helps set priorities; it demonstrates a programme of work to attract global players, which increases competition and skill levels. It gives all players the confidence to invest in machinery and skills, and it builds and maintains momentum across the New Zealand economy.

The previous National Government made good progress developing a transport pipeline in Auckland through the Auckland Transport Alignment Project. The Government and Auckland Council agreed on a list of priority projects and began delivering them.

Sadly, the incoming Government undermined that process by discarding the East-West Link and postponing several other critical roads, such as Mill Road, in favour of light rail. Because of this, the pipeline for major roading projects is virtually non-existent.

National was also getting on with building roads that would better connect our regions to our major cities and to each other. These regional roads, which were largely ready to go, have all been cancelled or delayed.

We support drawing up a national pipeline of major infrastructure projects to reduce the cost of chopping and changing across electoral cycles, but we wonder whether this should go further.

National proposes further strengthening the role of the Infrastructure Commission by requiring it to undertake post-completion reviews of good and bad procurement projects so that knowledge can be shared across the government sector.

We know that when it comes to infrastructure, a government's actions speak louder than its words. What this Government has done is sever New Zealand's infrastructure pipeline by cancelling or postponing a dozen major projects that were ready to go under National, and replacing them with projects that won't be ready to go for some time.

National is committed to reducing the infrastructure backlog and ensuring priority projects are funded appropriately. It is important for the confidence of the construction sector that there is a clearly outlined programme of major projects in place, like the Roads of National Significance, and governments refrain from cancelling or delaying them.

Had there not been a change of government at the last election, National would right now be progressing work on roads from Wellsford to Whangārei, Cambridge to Tirau, Piarere to Kaimai Range, Tauranga to Katikati, Napier to Hastings, Levin to Sanson, Christchurch to Ashburton, Wellsford to Warkworth, Ōtaki to Levin, the East West Link, the Melling Interchange, Mill Road and Penlink.

These major road investments would help unlock regional New Zealand and reduce congestion in our cities.

The Government's failure to deliver on infrastructure is driven by ideology – a point blank refusal to build new roads. Transport Minister Phil Twyford has said publically that he believes this country has "overinvested" in roads for decades, while his Associate Julie Anne Genter talks of not giving in to "car fascists".

The costs of this approach are enormous. The workforce and machinery that had been developed to deliver the Roads of National Significance will disperse, with many going to Australia where there is a clear pipeline of infrastructure work. We will waste years building this back up again.

The combination of ideology and incompetence means New Zealand is steering down the barrel of an infrastructure hole. All the while our roads will become more congested and it will take us longer to get home to our families at night.

New Zealanders will rue three years under Labour where virtually nothing has happened.

We want your thoughts on the following:

- Has the New Zealand Infrastructure Commission got the powers that it needs?

- National will develop a clear pipeline of major infrastructure projects.
- National supports the Infrastructure Commission as a way to achieve long-term certainty but we believe it needs to be properly resourced if it is to have any meaningful impact.
- We propose to further strengthen the role of the Infrastructure Commission by requiring it to undertake post-completion reviews of good and bad procurement projects to enable knowledge to be shared across the government sector.



Innovative Infrastructure Funding and Financing

“National understands the importance of using innovative financing mechanisms, like public private partnerships and the use of private capital.”

Hon Paul Goldsmith

Spokesperson for Infrastructure

High levels of congestion and ageing infrastructure hold back New Zealand's productivity and increase the cost of doing business, which make our products less competitive. Fast and efficient infrastructure, by contrast, helps get our goods to market sooner.

Central and local government will spend tens of billions of dollars on infrastructure over the next few decades. Traditionally, public infrastructure has been funded and financed by public debt, fuel taxes, rates or other user charges. We can achieve a lot from these funding sources if we spend the money sensibly. But it is important to get the funding and financing sources right.

Infrastructure that primarily benefits road users should be funded by road users, and they should equally not have to pay for infrastructure that does not benefit them.

New Zealand has the capacity to increase its investment in infrastructure. The critical thing, however, is the quality of the spending.

National understands the importance of using innovative financing mechanisms, like public-private partnerships and the use of private capital. It makes sense to use private capital to stretch New Zealand's limited capital budget so we can get more built.

For example, the Government has delayed progressing work on Penlink, north of Auckland. Without the use of private capital, this road would be unlikely to be built within the existing 10-year plan. However, if private funding was used then the road could be built, even if it requires a toll, and nobody would be worse off. Whangaparāoa residents would have the choice of paying the toll for a quick journey or

using the existing road for free. The existing road would have a significantly lighter traffic flow when road users choose to use the new toll road.

National previously established a \$1 billion Housing Infrastructure Fund to alleviate the funding limitations of local councils and accelerate new roads and water infrastructure in high-growth regions. In 2017 the previous Government also innovated with alternative funding models for housing developments. The first was at Milldale, north of Auckland, where the developer was allowed to fund the subdivision's road and water infrastructure through a targeted levy on the beneficiaries of the development. This enabled the development to happen sooner.

Without such mechanisms, many developments are held back and delayed by council funding constraints. The current Government is working on legislation to expand that model and National will work constructively with it on these ideas.

National welcomed the industry-led Capital Markets Taskforce 2029 final report and are considering the recommendations put forward to generate more participation, increase the range of offerings in our capital markets and better fund infrastructure. The report made some sensible suggestions regarding infrastructure funding and financing.

We are also open to the proposal for local government reform to ensure local councils make use of different types of funding options for necessary infrastructure. Councils play an important role in building and maintaining infrastructure so it is important they use the most appropriate funding and financing model to give ratepayers value for money.

The taskforce recognised that using private capital does not always mean forgoing control, with the recent Napier Port IPO by the Hawke's Bay Regional Council a good example.

We want your thoughts on the following:

- Would you support the establishment of a competitive infrastructure fund for local councils to progress infrastructure development that would otherwise not happen?

- National will use private capital to help build the critical infrastructure New Zealand needs.
- National is considering new approaches to infrastructure financing and procurement, including commercial revenue schemes, partnerships with the private sector, and capital injections from general government spending.
- National believes taxes on road users should be spent for the benefit of road users.



Reducing the Cost of Infrastructure

“We will have a clear focus on making sure we get the most we can from each dollar we spend.”

Hon Paul Goldsmith

Spokesperson for Infrastructure

Reducing Costs

Every Government should aim to build as much quality infrastructure as it can for every billion dollars it spends. Inefficient provision of infrastructure means we get fewer roads, less public transport, and fewer improvements to water infrastructure in our harbours and rivers.

National will have a clear focus on making sure we get the most we can from each dollar we spend.

One of the best ways to get more bang for the taxpayer buck is to attract global players to compete for work in New Zealand, which will, in turn, encourage all other players to invest in skills and machinery. This comes back to having a long-term infrastructure pipeline in place that provides investors with certainty.

The cost of building core infrastructure, such as roads and pipes, is significantly more expensive in New Zealand than it is overseas, partly due to our complex topography but also because of the cumbersome nature of our regulations.

For example, it currently costs New Zealand approximately \$15 million to build one kilometre of major arterial road, compared to just \$5 million in Australia.

Other ways to get more value for money in infrastructure development is to have a better alignment between those who use infrastructure and those who finance it, as well as better governance arrangements of infrastructure projects.

National wants to make it as easy and cost-effective as possible to build the infrastructure New Zealand needs to get moving again.

We want your thoughts on the following:

- What barriers, such as the size of New Zealand's workforce, are in the way of leading international firms coming to New Zealand and competing to provide infrastructure?
- How can the Government best remove barriers to encourage more competition in infrastructure procurement?

Regulatory Reform

New Zealand has developed good processes over a number of years to encourage discipline when spending taxpayer money. The current Government has lacked that discipline, as evidenced by the loose spending we see from the Provincial Growth Fund.

National can be relied upon to be disciplined spenders, but we also need to think more about how the changes we make to regulations will impact the cost of getting things built down the line.

Many regulations have evolved over the years to protect and preserve the interests of incumbent market players or highly risk-averse government officials. We need to regularly test these assumptions, remove barriers to new entrants entering markets and streamline unnecessarily slow and expensive bureaucratic procedures.

It is also important to allow for new technologies to become established, and to sometimes disrupt old patterns and behaviours. A good example is the previous National Government's

swift establishment of a regulatory regime for New Zealand's growing space industry.

Poor regulations have also contributed to New Zealand's relatively high house prices compared to other OECD countries. At a high-level, the problem is simple: New Zealand has not built enough houses to keep up with demand. When supply does not keep up with demand, prices will rise.

The largest driver of rising house prices in New Zealand has been rapid land price growth, largely as the result of an overly restrictive supply of land and a failure to build the infrastructure required to support new housing developments. It is important that planning laws encourage the development of new housing and local councils have the right incentives to encourage new housing development.

National also understands that regulatory uncertainty adds a cost premium to investment decisions. For example, the possibility that a Government or a government agency (ie. the Commerce Commission) can change the regulatory environment after an investment is made can significantly affect the returns on that investment.

Too much regulatory uncertainty, without the appropriate settings in place to protect against post-investment regulatory changes, can make investors reluctant to invest in the critical infrastructure we need.

We want your thoughts on the following:

- Should we consider going further with separate fast-track consenting arrangements for major infrastructure projects?
- Are there sufficient protections from regulatory uncertainty for investors in critical infrastructure?



Infrastructure Delivery

"We will consider establishing more dedicated and specialist teams to manage infrastructure delivery."

Hon Paul Goldsmith

Spokesperson for Infrastructure

One of the key criticisms of the current approach to infrastructure investment is the 'silo' approach adopted by Government entities and a lack of focus on 'whole-of-life' costs, like on-going management costs, when assessing project tenders.

Central Government procures between \$10 billion and \$12 billion in capital infrastructure and construction-related investments annually. When considered alongside the approximately \$8 billion spent each year by local Government it makes successfully coordinating, planning and executing these projects vitally important.

A major infrastructure project can, if properly planned, also be an opportunity for an urban renewal project. In many cases, too little focus is placed on the social, environmental and community outcomes that can be achieved.

We supported the establishment of the Infrastructure Commission because one of its principal roles is to identify the pipeline of infrastructure projects so companies can plan to meet that need and invest in the appropriate talent and resources, including equipment. However, we propose to further strengthen the role of the Commission by requiring it to undertake post-completion reviews of good and bad procurement projects to enable learnings to be shared across the government sector.

We are considering whether we need to enhance the ability to deliver large, complex projects in a different way. While we have a number of specialist agencies, such as the New Zealand Transport Agency, that are responsible for delivering particular types of projects, we are also considering extending this model. Of note

is the proposal to establish a specialist crown entity inside the Ministry of Education to procure new school builds.

We also view infrastructure investment as critical to improving water quality and improving New Zealand's resilience to climate change. The Government has chosen to end support for water storage infrastructure whereas we will consider expanding support with a new Water Infrastructure Fund. New infrastructure is needed in cities to properly separate and better manage storm and wastewater, while in rural New Zealand sustainable water storage schemes are required to improve water quality and management.

- National is considering establishing more dedicated and specialist teams to manage infrastructure delivery.
- National proposes establishing a new Water Infrastructure Fund to assist city and rural councils to improve water quality, supporting more sustainable agriculture and resilience to climate change.

We want your thoughts on the following:

- Do you think the Government focuses adequately on whole-of-life costs when procuring new projects?





"National wants to make it as easy and cost-effective as possible to build the infrastructure New Zealand needs to get moving again."

Simon Bridges
National Party Leader
Leader of the Opposition



Connecting Communities

“Having faster, safer connections between our cities and regional centres provides the latter with greater access to skilled workers, makes them more appealing tourist destinations, and gives them the ability to aggressively seek new export markets.”

Hon Todd McClay

Spokesperson for Tourism

Local Government Infrastructure

New Zealand has 67 territorial authorities – 13 city councils and 54 district councils – that collectively spend billions of dollars every year on infrastructure for their ratepayers. A quarter of all local government capital expenditure goes on three waters infrastructure.

Rather than being distributed evenly throughout the country, most population growth in New Zealand is occurring within a small number of urban centres. A significant level of infrastructure investment will be needed in these areas over time to manage their growth.

There has been a general unwillingness at local government level to use private capital, such as public-private partnerships, as a funding tool despite private capital often providing a reduced and more equitable financial burden on ratepayers.

National believes local councils should make greater use of private capital to deliver new infrastructure.

- National believes local councils should make greater use of private capital to deliver the new infrastructure ratepayers need.

We want your thoughts on the following:

- What tools can be used to address the unique pressures faced by councils with high tourism and low rating bases so they can deliver the infrastructure they need without placing too much burden on existing ratepayers?
- Should high-growth councils be treated differently or given different tools to respond to their unique growth pressures?
- How can central government help local government use more private capital to build infrastructure?
- The New Zealand Initiative says local government funding arrangements should be changed so councils have a greater incentive to approve development. Do you support this?

Tourism Infrastructure

Our regional economy needs to be able to utilise its natural resources, otherwise it risks losing its natural advantages.

Building highways that connect our regions is one way the Government can maximise our country's potential. Having faster, safer connections between our cities and regional centres provides the latter with greater access to skilled workers, makes them more appealing tourist destinations, and gives them the ability to aggressively seek new export markets.

Infrastructure pressure is a significant issue in parts of regional New Zealand. This is particularly true when it comes to managing tourism. Millions of people visit our regions each year, creating jobs, supporting local communities and growing incomes.

International tourists contribute \$1.7 billion in GST, which is collected by central Government. The previous National Government invested more than \$100 million of this into the Tourism Infrastructure Fund and the Tourism Growth Partnership to develop tourism-related infrastructure and activities that support regional New Zealand.

But there is more that can be done. Regions with high numbers of tourists and low numbers of ratepayers still find it difficult to fund tourism-related infrastructure without placing an unfair burden on those who live there.

- National believes all regions can share in the economic benefits of tourism.



We want your thoughts on the following:

- How can we lessen the burden upon ratepayers to meet the cost of tourism-related infrastructure without increasing taxes or rates?
- Should councils receiving high numbers of tourist visits be given assistance to provide infrastructure?
- Is the sustainability of tourism infrastructure funding important, and what role can the continuation of National's Tourism Growth Partnership and the Tourism Infrastructure Fund play in this?

Communications Infrastructure

National knows how important it is that all parts of our country have access to quality internet speeds and communications so we can all stay connected and get the most out of modern technologies.

The previous National Government invested heavily in ultra-fast broadband to ensure businesses everywhere had access to the modern digital networks they need to compete.

Connectivity remains a challenge for rural New Zealand. Many rural areas are simply unable to be equipped with modern connectivity because of a lack of infrastructure. National is proud of our work on the Rural Broadband Initiative, which helped better connect our rural communities.

Continued investment in digital infrastructure is needed to ensure ultra-fast broadband and other connectivity options, such as fixed wireless services, are accessible to all New Zealanders no matter where they live.

Investment in core technology infrastructure is crucial for economic development as better connectivity will help our primary sector grow and allow regional businesses to connect to the rest of New Zealand and the world.





The Construction & Infrastructure Workforce

"To build the infrastructure we need, we must have a large, skilled construction workforce."

Hon Paul Goldsmith

Spokesperson for Infrastructure

The construction sector makes up six per cent of New Zealand's economy and employs about 250,000 people. It is crucial to the future of our economy as we need a large, skilled construction workforce if we are to build the infrastructure we desperately need.

The most important thing the Government can do long-term to develop the skills needed is to ensure there is a clear pipeline of work ahead for the next two decades. If businesses and young people are confident there will be meaningful projects ahead for a long period of time then they will invest in the skills necessary to undertake that work.

Because of the Government's ideological decision to cancel or postpone a dozen major transport projects there is now a looming crisis in the civil construction industry. The Government's

own Business Advisory Council has called on these projects to be restarted, partly in fear of the construction cliff we're facing if work doesn't get underway on new major projects soon.

National is committed to increasing secondary participation in vocational education. We believe we need to strengthen partnerships between industry and schools in New Zealand so young people have better opportunities for work experience, study or to get jobs straight out of school. It can be challenging for businesses and industry to engage with individual schools, so the Communities of Learning model could provide an important gateway to strengthen vocational pathways for students.

One option National is considering is to invest in people involved in Communities of

Learnings or clusters of schools to help broker these partnerships. National would set up a contestable fund that would allow Communities of Learnings or clusters of schools to bid for projects that strengthen vocational pathways between schools and industry. This could include initiatives such as additional work placements, mentoring schemes, and study-to-work partnerships.



- National is committed to increasing secondary participation in vocational education.
- National believes we need to strengthen partnerships between industry and schools in New Zealand to improve opportunities for young people to have better career experiences.
- National proposes to invest more to financially support schools to assist students in transport or mentoring who have fewer opportunities to participate in careers experience or vocational training. This could involve partnering in more programmes with businesses schools and the community.
- National proposes to invest in greater careers partnerships including more work experience opportunities between industry and clusters of schools or Communities of Learnings.
- National proposes creating a contestable fund that would allow schools to bid for projects that strengthen vocational pathways between schools and industry.
- National supports increasing the number of apprenticeships.





Introduction from Chris Bishop

National's Transport Spokesperson

National is the party that builds New Zealand. We are proud of our record on transport investment, which has improved Kiwis' lives by making it easier, faster and safer to move around this great country of ours.

The previous National Government invested record amounts in new and improved highways, regional roads, rail and cycleways across the country after years of underinvestment by the Clark Labour Government.

National has long had an ambitious programme of transport investment. We backed the second generation Roads of National Significance, put more investment in commuter rail, and supported the Auckland Transport Alignment project to get Auckland moving. There could, and should, be spades in the ground on many of these projects right now.

Labour's approach to transport has involved increasing fuel taxes significantly, particularly in Auckland, but giving motorists little in return for all the extra tax they are paying. It has gutted the state highway budget and cancelled or delayed numerous projects across the country, at a time when the Prime Minister's own Advisory Council says we should be building roads.

The hallmark of this Government is a failure to deliver on its promises, such as completing light rail from Auckland's CBD to Mt Roskill by 2021, yet more than two years later there is still no

"In this document you can find a range of ideas and proposals to lift transport investment, better connect our regions, drive economic growth, unclog our cities, and increase our prosperity."

Chris Bishop
National's Transport Spokesperson

plan, no business case, no consents, no costings, and no chance of anything happening anytime soon.

Even on issues where there is widespread agreement – a third main rail line for Auckland, electrifying the train line to Pukekohe, extending the Northwestern Busway, and nationwide integrated ticketing for public transport – progress has been slow to non-existent.

National is committed to getting New Zealand moving. In this document you can find a range of ideas and proposals to lift transport investment, better connect our regions, drive economic growth, unclog our cities, and increase our prosperity.

We look forward to your feedback.

Chris Bishop
National's Spokesperson for Transport



Our Transport Objectives

“National is the party of infrastructure and we are proud of our record on transport investment. The last National government invested more in transport than any other government in New Zealand history.”

Chris Bishop

Spokesperson for Transport

Our transport system is a critical component of New Zealand's economy and society that is often underappreciated.

Transport touches almost every aspect of our lives on a daily basis. We depend on it when we get up in the morning and head to work, when we do the shopping, drop the kids at Saturday morning sport, deliver a container of exports to a port for shipping, or get on a plane.

New Zealanders need transport infrastructure that is reliable, efficient, effective, and safe.

Our proposed transport objectives are listed below. This document contains a mix of policy ideas, suggestions and thoughts about how we will achieve these objectives.

Reduce Congestion

Traffic congestion costs every New Zealander time and money. Each minute spent sitting in gridlock is a minute that would be better spent with our families, friends or getting things done. According to NZIER, the economic cost of congestion in Auckland is \$1.3 billion per year. Congestion is the handbrake that stops tradespeople from getting the most out of their day and hampers businesses from getting goods to markets. Congestion is a major drag on productivity and the efficiency of our economy. We can and must do better.

Connect our Regions

The backbone of regional connectivity in New Zealand is 93,000 kilometres of road supplemented by 4000 kilometres of rail track. Our regional economies depend on reliable and effective transport links to allow people to get around easily and safely, and for goods to be transported efficiently.

Focus on Freight

Transport for freight is often forgotten but is critical to our quality of life. A 2014 Freight Demand Study predicted that as our economy grows there will be a 58 percent increase in overall freight volumes – from 236 million tonnes to 373 million tonnes – by 2042. Making it easier for freight to travel by road, rail, air and sea is an important focus for National.

Reduce our emissions

About 20 percent of New Zealand's total greenhouse gas emissions come from the transport sector, with road transport emissions increasing by more than 90 per cent since 1990. Given our already high levels of renewable electricity generation and the difficulty of emissions reduction in agriculture, transport offers an excellent way to green our economy and meet our international climate obligations.

Improve the Liveability of our Cities

The great modern cities of the world all have integrated multi-modal transport systems where public transport, walking, cycling, and increasingly scootering are valued parts of everyday life. Technology holds huge potential for transforming the way we get around our cities and interact with our transport networks.

Make our System Safer

The number of people who died on our roads last year was 377. When measured against vehicle kilometres travelled, the road toll has never been lower but more people are dying and this cannot continue. In this day and age, with modern cars and modern road building techniques, our road toll should be heading down, not up.

- National proposes the following transport objectives: reducing congestion in our cities; better connecting our regions; a focus on freight; reducing our emissions; improving the liveability of our cities; and making our system safer.

We want your thoughts on the following:

- What do you think of National's proposed transport objectives?
- Do you think one of these transport objectives is more important than the others?



Transport Funding

“National will repeal the Auckland Regional Fuel Tax and we will not increase fuel taxes in our first term.”

Chris Bishop

Spokesperson for Transport

The last National-led government did a good job of turning around our infrastructure deficit but we need continuous, significant and growing investment to deliver the transport infrastructure New Zealand needs and deserves. We need new thinking about the way we fund our future transport requirements.

New Zealand currently raises revenue for transport infrastructure through petrol taxes, road user charges and vehicle licencing fees. This revenue is ring-fenced in the National Land Transport Fund (NLTF). Total revenue of about \$4 billion per year is managed by the New Zealand Transport Agency (NZTA) on a pay-as-you-go basis.

There are two interrelated issues facing our transport funding system.

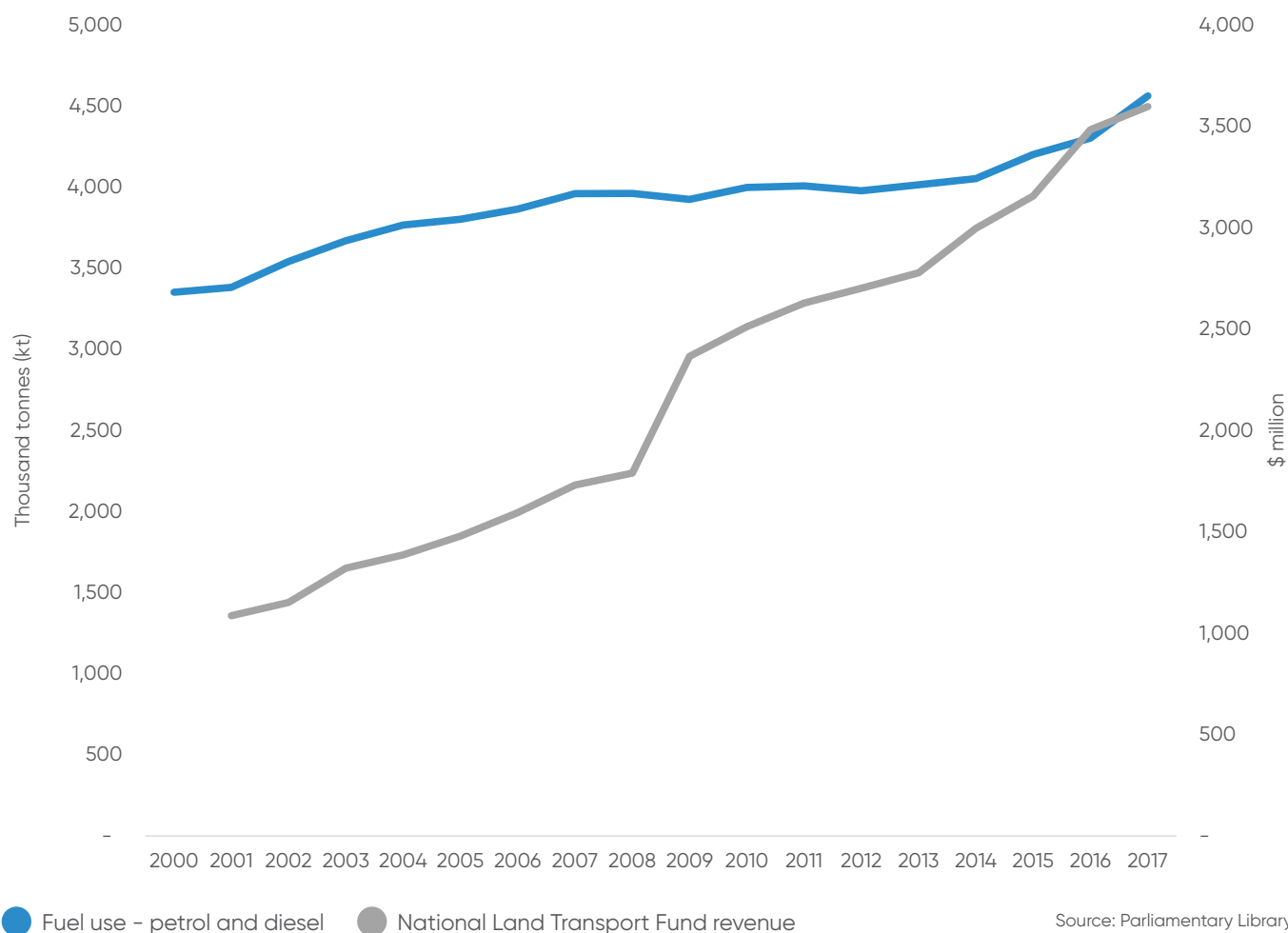
First, New Zealand needs an increase in transport spending over the next two decades to meet our economic aspirations. Small increases year on year simply won't cut it.

Second, over time the pay-as-you-go system of transport funding, through the NLTF, will become unsustainable. Fuel use is becoming a poor estimate of road use as vehicles become more modern and fuel-efficient. The common use of hybrid vehicles by taxi and ridesharing services, for example, effectively reduces the contribution these drivers make to road investment, while electric vehicle users currently pay no road user charges at all.

National celebrates the movement towards more fuel-efficient and environmentally friendly vehicles. But as petrol use stabilises (and is forecast to fall to meet climate change targets)

Fuel consumption (petrol and diesel) and National Land Transport Fund Revenue (fuel tax, road user charges, and vehicle registration charges) 2000 to 2018

Note: Until 2008/09, some revenue from fuel excise duty on petrol went to the consolidated fund.



we can't simply increase fuel taxes every year. In 1998, as little as 9.4 cents from every litre of petrol purchased went into the transport fund. This has now increased to 66 cents.

The current Government's approach to our transport funding problems is to simply hit Kiwis in the back pocket with fuel tax increases of 4 cents a litre (and the equivalent in road user charges) in July 2018, July 2019 and another one in July 2020. Aucklanders are paying an extra 11.5 cents a litre on top of that because of the Auckland Regional Fuel Tax.

National is open to innovative funding options as a means of increasing transport investment and stopping endless fuel tax increases.

To increase transport funding, we are interested in your feedback on the following innovative funding proposals:

Road User Charges

In a world where more and more cars are electric or hybrid, and fuel efficiency is increasing, road user charges could instead be levied on all vehicles so everyone using our roads makes a contribution to their upkeep. Instead of fuel usage being a proxy for road usage, actual kilometres travelled would be measured and paid for. This would need to be phased in over the medium-to-long term but modern technology makes it eminently possible.

Crown Contributions

Transport investments have traditionally been paid for by hypothecated funding from fuel tax and road user charges (RUC), with limited direct government contributions. We propose expanding transport funding from general government revenue on the basis that a more efficient, safe and reliable transport network benefits everyone in the same way our health and education systems benefit our entire society.

Private Capital

New Zealand is far behind other countries in its use of private capital to finance major transport projects. New Zealand's problem is a shortage of funding, and private capital can play a role in meeting that challenge by bringing projects on stream faster and more efficiently. We propose aggressively working with the private sector to explore alternative financing and funding arrangements, including the use of road tolling.

- National will repeal the Auckland Regional Fuel Tax and will not increase fuel taxes in our first term.
- National is open to innovative funding options as a means to increase transport investment and stop endless fuel tax increases.
- National proposes the following innovative funding mechanisms: moving to Road User Charges for all vehicles over time, Crown contributions, greater use of private capital, as a means of delivering more transport infrastructure.

We want your thoughts on the following:

- What do you think about moving to road user charges for all vehicles over the medium-to-long term?
- Do you think that Government contributions should play a greater role in funding our transport needs?
- What do you think about using public-private partnerships, including toll roads, to fund transport projects?





Roads

"Because we are a long, thin country with challenging geography, roads will always be of critical importance to New Zealand, particularly in provincial cities and towns."

Chris Bishop

Spokesperson for Transport

National has a strong record on roads. The last National Government spent \$12 billion on the first seven Roads of National Significance (RONS) – transformational projects that connected our regions and unlocked the potential of our cities, towns and provinces.

The original Roads of National Significance were: Puhoi to Warkworth; the Auckland Western Ring Route; the Victoria Park Tunnel; the Tauranga Eastern Link; the Waikato Expressway; the Wellington Northern Corridor; and the Christchurch Motorway projects.

People across New Zealand saw the benefit of National's increased investment through our acceleration of regional roads.

Because we are a long, thin country with challenging geography, roads will always be of

critical importance to New Zealand, particularly in provincial cities and towns.

Nationally, 94 per cent of all travel is done by private motor vehicles. Our roading network is also critical for freight. In 2017/18, 93 per cent of the freight task in New Zealand was moved by road, up from 91 per cent in 2012. Rail accounts for just six per cent of freight movements.

Since becoming Government, Labour has either cancelled or delayed the following twelve roads:

- Whangārei to Te Hana
- East West Link
- SH1 Cambridge to Piarere
- SH2 Pokeno to Mangatarata

- SH29 Piarere to Tauriko
- SH2 Waihi to Omokoroa
- Tauranga Northern Link (Te Puna to Omokoroa)
- SH2 Katikati
- SH29 Tauriko West network connections
- SH1 Ōtaki to north of Levin
- SH1/SH2 Petone to Grenada Link Road
- SH2 Melling interchange

Roads of National Significance

National proposed completing the original Roads of National Significance and starting a 'second generation' programme. These roads are the logical extension of the existing RONS and are the highest volume roads in New Zealand. We are interested in your views on the importance of the following roads being upgraded to four-lane expressway standard:

- Whangarei to Warkworth
- East West Link in Auckland
- Cambridge to Tirau
- Piarere to the foot of the Kaimai Ranges
- Tauranga to Katikati, including the Tauranga Northern Link
- Napier to Hastings
- Levin to Sanson
- Manawatu Gorge
- Christchurch to Ashburton
- Christchurch Northern Motorway: Belfast to Pegasus

Roads of Regional Significance

National proposes introducing a new funding priority called Roads of Regional Significance.

Many regions have roads that require upgrading on the grounds of safety, resilience, and connectivity. Local councils sometimes struggle to pay for these roads under current funding rules. National proposes increasing the Funding Assistance Rate (FAR) for these roads.

Road Safety

New Zealand's rising road toll is of concern and National's significant transport funding increase will make a serious difference.

National considers road safety a top priority and our track record of action in government speaks volumes about our commitment. The Roads of National Significance are the safest roads in the country, with only one death on them since their construction. National also lowered the blood-alcohol limit and introduced legislation to make the use of alcohol interlocks mandatory for serious and repeat drink-driving offenders. We invested \$600 million in the Safer Roads and Roadsides programme to improve safety at 90 blackspots on rural state highways across 14 regions.

Associate Transport Minister Julie Anne Genter talks often about adopting Sweden's "Vision Zero" approach. Sweden has one of the lowest rates of road deaths in the world but it's worth noting that it also has more than 2000 kilometres of motorway and a further 6000 kilometres of largely separated expressways.

Drugged Driving

Drug driving has become a real problem. In 2018 there were 71 deaths on our roads involving drugs, up from just 14 in 2013. There are now more deaths involving drugged-drivers on our roads than there are involving drivers exceeding the blood-alcohol limit.

Labour has dragged its feet on introducing oral fluid roadside drug testing. National proposes to introduce legislation that will implement a comprehensive roadside drug testing regime, to keep New Zealand families safer on our roads.

Speed Limits

Labour's Government Policy Statement on transport is the driving force behind a plethora of proposed speed limit reductions across the country.

We support speed limit reductions where they make sense, and where there is strong community support. But blanket speed limit reductions on major state highways, such as Blenheim to Nelson, are unlikely to be justified and will be counterproductive.

Safer Roads and Roadsides

National proposes recommitting to our Safer Roads and Roadsides programme.

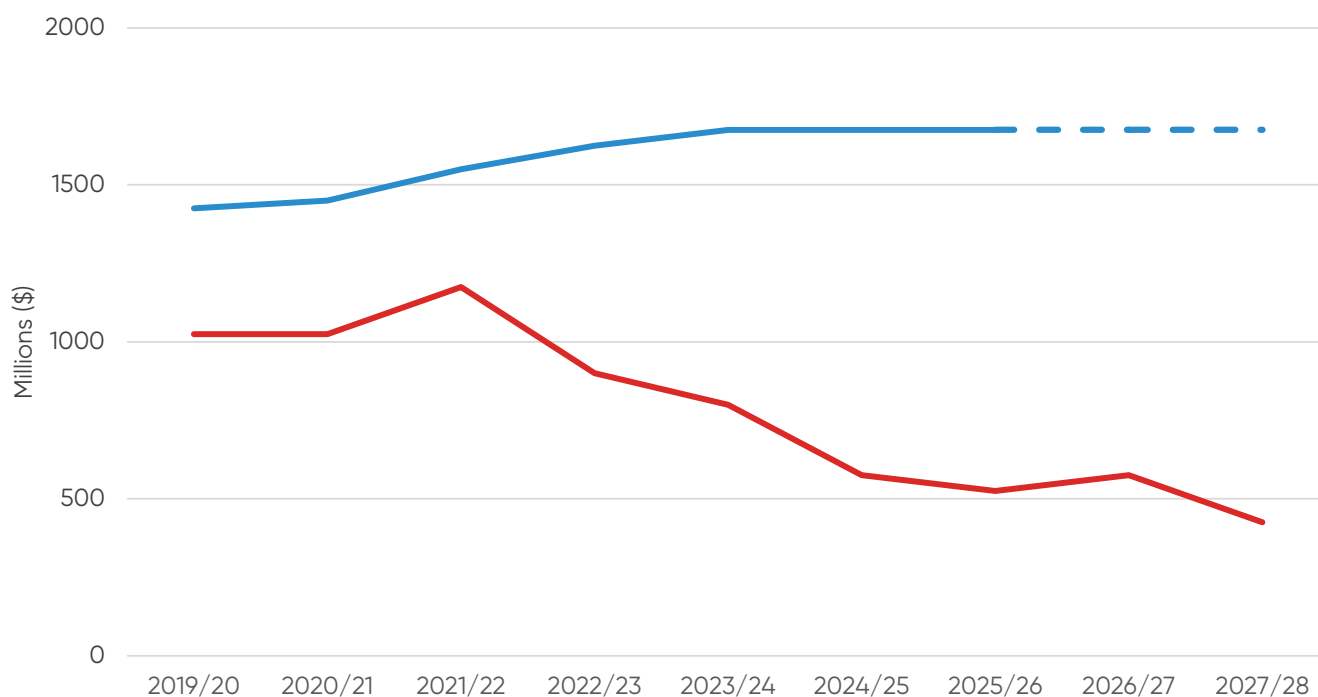
We will improve roads through increasing the use of median barriers, side barriers, shoulder widening, and rumble strips, as well as fix dangerous intersections and corners.

We also propose a serious focus on level crossings. New Zealand has 2600 at-grade rail level crossings, including public roads, footpaths, and cycle paths. Deaths and serious injuries at these locations averaged 10 per year between 2013 and 2017.

Speed Cameras

We propose a new approach to speed cameras. Many New Zealanders view random speed cameras as unfair and mere revenue gathering. We propose to decrease the use of random speed cameras, but increase the use of cameras in sign-posted high-risk areas, which has been a successful factor in reducing deaths and serious injuries in Sweden.

State Highway Improvement Funding



● National ● Labour

Source: Government Policy Statement on Land Transport, 2018. Draft Government Policy Statement on Land Transport, 2017. National's 2025/26, 2026/27 and 2027/28 figures are assumed to remain constant from final year of 2017 Government Policy Statement.

- National proposes reintroducing a priority for funding Roads of National Significance.
- National proposes introducing a new funding priority of Roads of Regional Significance to assist in funding high value regional roading projects.
- National commits to introducing legislation that will implement a comprehensive roadside drug testing regime.
- National proposes recommitting to our Safer Roads and Roadsides programme, which will improve roads through increasing the use of median barriers, side barriers, shoulder widening, and rumble strips, as well as fix dangerous intersections and corners.
- National proposes to decrease the use of random speed cameras and increase the use of speed cameras in sign-posted high-risk areas.

We want your thoughts on the following:

- What do you think about the second generation Roads of National Significance? Are there any particular projects you think deserve a high priority, and why?
- Do you support the introduction of Roads of Regional Significance?
- What measures do you think the Government should take to address our road toll?
- Do you support the introduction of oral fluid roadside drug testing?
- What do you think of the proposed speed limit reductions happening at the moment?



Public Transport and Congestion

"The great modern cities of the world all have multi-modal transport systems where public transport, walking, cycling, and increasingly scootering are common and valued parts of everyday life."

Chris Bishop

Spokesperson for Transport

Public transport has social, economic and environmental benefits. It opens up opportunities for people to access work, study, and leisure opportunities without owning a car. It also reduces congestion on our roads and reduces environmental harms from transport, such as carbon emissions and air pollutants.

The great modern cities of the world all have multi-modal transport systems where public transport, walking, cycling, and increasingly scootering are common and valued parts of everyday life.

National has a strong record on public transport. We invested \$2 billion in public transport from 2008 to 2017, helping lift public transport use to record highs. We also invested more than \$2.5 billion to electrify the Auckland

and Wellington commuter rail networks, and get the City Rail Link underway.

Congestion

It is critical that we deal with congestion problems in our major cities. Forecasts show New Zealand's total vehicle kilometres travelled might increase by as much as 66 per cent by 2040, yet New Zealand is already heavily congested in some cities.

The Tom Tom Traffic Index ranks Auckland as Australasia's second most congested city, behind only Sydney. Wellington is Australasia's fourth most congested city and Hamilton is tenth. Congestion costs our economy hundreds of millions of dollars per year.

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National proposes introducing revenue-neutral congestion charging in our major cities to help efficiently manage the flow of traffic. Congestion pricing exists in many jurisdictions around the world and has been consistently recommended by expert reports in New Zealand, including the Productivity Commission.

Motorists currently pay for roads through petrol tax and road user charges, as well as through local body rates. These are imperfect payment methods as they do not account for the time or location of travel, and the associated costs. For example, it currently costs you the same amount to drive on a motorway at midnight, when nobody is around, as it does at 7am when everyone wants to be on the road. Congestion is the result.

Congestion pricing fundamentally changes the game. By charging for travelling at a certain times and/or on certain routes it encourages commuters to find alternatives, such as travelling earlier or later, taking a different route or getting out of the car and taking public transport.

We are already familiar with the concept of paying more for services when there is higher demand. For example, flights cost more at 5pm than they do at midday. It also costs more to fly in and out of cities when popular artists are playing concerts there. Electricity costs less at midnight when there is less pressure on the grid. Public transport is also cheaper off-peak.

Roads are one of the few things in life that cost the same regardless of time or demand.

Ride-sharing Apps

In the informal economy it is common for people to “hitch a lift” with someone going in the same direction, and for the non-driver to give the driver a few dollars to cover petrol and other costs associated with driving. This is perfectly legal and makes total sense.

National thinks ride-sharing, particularly car-pooling, has a role to play in decongesting our cities. The more people are sharing rides together; the fewer single occupant vehicles there are clogging our roads.

We will encourage public transport authorities to look at partnering with existing ride-sharing companies to solve the “first mile/last mile” problem, getting people to and from public transport in an efficient, cheap and less congested way.

Electric Scooters

Electric Scooters, or e-scooters, aren't for everyone but National thinks they have a role to play in reducing the number of car journeys people take, and in connecting people to public transport. For example, one electric scooter company recently reached two million trips in Auckland, which they estimate has stopped 600,000 car trips from happening. They estimate 34 per cent of riders used their scooters to connect to public transport.

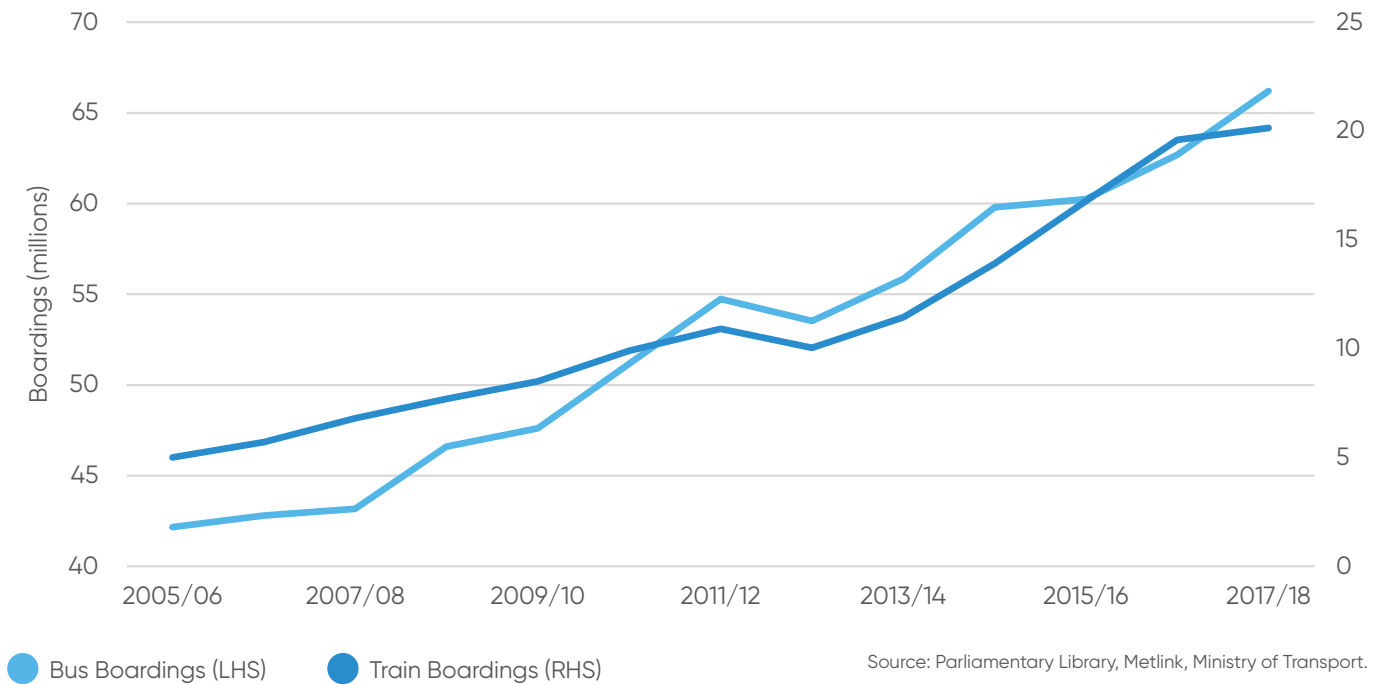
There is legitimate concern about safety and legitimate questions about whether e-scooters need more regulation. We are open to sensible regulation and sensible ideas.

Integrated Ticketing

London's Tube has accepted contactless cards since September 2014, allowing people to pay for their travel with a simple swipe of their credit card or even phone. The same system is integrated with the bus network, encouraging multi-modal use of the network through discounts for doing so. This makes it as simple as possible to pay.

By comparison, people still pay for the train in Wellington the same way they did thirty years ago – with cardboard monthly passes or cash and coins. We can and must do better. National proposes rolling out modern integrated ticketing, and accelerating its introduction.

Bus and Train Boardings - Auckland



Accountability of Auckland Transport

Dissatisfaction with the accountability of Auckland Transport is widespread. National proposes more accountability and transparency when it comes to Auckland Transport. We are interested in an Auckland Performance Auditor to lead some of this work. This was recommended by the Royal Commission on Auckland Governance 2009 and will increase councillors' ability to influence the strategic direction of council-controlled organisations (CCOs), like Auckland Transport, and hold them to account.

The independent auditor would ensure CCOs provide high-quality services in a cost-effective way, review the adequacy and relevance of CCO Statements of Intent and performance targets, and provide support to the Auckland Council Governing Body during its quarterly reporting and annual performance review.

- National proposes the introduction of congestion charging that will help efficiently manage the flow of traffic. Any charging scheme would be revenue-neutral.
- National supports ride-sharing, particularly car-pooling, as a means of decongesting our cities.
- National proposes rolling out modern integrated ticketing, such as contactless cards, to pay for public transport and accelerating their introduction.
- National proposes greater accountability on Auckland Transport.

Governance Reform

Public transport governance is too often fragmented, with opaque accountability and no clear delineation of which agency is responsible for each part of the network. The new Wellington bus network, for example, has been a disaster with the Regional Council, City Council and NZTA all blaming each other for the fiasco. National proposes introducing new regional transport authorities in Wellington and Canterbury that would run the public transport systems (buses and trains) as well as manage cycling, parking and roading.

- National proposes introducing new regional transport authorities in Wellington and Canterbury that would run the public transport systems (buses and trains) as well as manage cycling, parking and roading.

We want your thoughts on the following:

- What is the role for the Government in helping to facilitate or support the expansion of ride-sharing apps in our major cities?
- Should we introduce new regional transport authorities in Wellington and Canterbury that would oversee public transport (buses and trains) as well as cycling, parking and roading?
- What regulation, if any, would you like to see on the use of e-scooters?
- Do you support the rollout of integrated ticketing to public transport and should this be one system across New Zealand, or should different regions use different systems?





Rail

"Rail is particularly effective for transporting bulky, heavy goods such as coal, dairy and forestry products."

Chris Bishop

Spokesperson for Transport

The first railway line in New Zealand opened in 1863 and expanded over the next century through central government investment. The rail network now spans 3377 kilometres of track and extends from Northland to Southland, connected across Cook Strait.

Rail plays an important role in our transport system. KiwiRail transports about 18 million tonnes of freight each year and shifts about a quarter of New Zealand's exports. Rail is particularly effective for transporting bulky, heavy goods such as coal, dairy and forestry products.

The previous National Government got KiwiRail back on its feet. We invested \$5 billion into new rail infrastructure and committed immediately to rebuilding the South Island Main North Line after the Kaikōura earthquake.

The Wellington and Auckland commuter rail networks are key parts of the transport systems in both cities. Since National's large investment in electrification they have enjoyed strong passenger growth, particularly in Auckland.

The economics of rail in New Zealand are challenging. We are a long, thin country with difficult geography. Rail has almost never covered its cost of capital in New Zealand, apart from on a few freight dominated routes. However, rail does have wider benefits to New Zealand. Travel by rail, whether it be goods or passengers, reduces congestion on our roads. Rail is generally more environmentally friendly than truck or private car travel and it is safer.

Various corporate structures to govern rail have been tried in New Zealand. Rail would almost certainly be the most reviewed infrastructure

or organisation in this country's history, with frequent attempts over the past 100 years to find the right operating model. Rail has shifted from full public ownership as a government department, with few commercial imperatives placed on the organisation (1870s to 1982), to a government-owned company (1982 to 1990), a limited liability company owned by the Government (NZ Rail, 1990 to 1993), private ownership (TranzRail, 1993 to 1996); a publicly-listed company (1996–2007), and a state-owned enterprise (2008 to present).

The current Government is repositioning KiwiRail away from commercial imperatives to the extent that its future as a state-owned enterprise must be in doubt. Budget 2019 changed the valuation approach of the rail network from a commercial basis to a public benefit basis. Treasury has said:

"Following a review to consider the context of KiwiRail's purpose within a multi modal transport system, the underlying assumption of the benefits of rail were reframed as: 'Rail enables access and mobility, transporting people and goods to where they need to go, supporting productivity and business growth, reducing emissions, congestion and road deaths, and strengthening social and cultural connections between communities'. As a consequence, a valuation for the rail freight network that only reflected its cash generating potential was no longer appropriate."

In 2018, Ministers directed KiwiRail to not decommission electric trains running between Hamilton and Palmerston North. The Government has also allocated hundreds of millions to KiwiRail for a variety of commercially dubious initiatives, such as reopening the Napier to Wairoa line and upgrading the North Auckland line.

The Government has undertaken a "Future of Rail" review exercise, which is expected to be made public shortly. It has also signalled that KiwiRail will be able to access funding from the National Land Transport Fund. Various questions arise from these latest moves in the long history of rail in New Zealand.

We want your thoughts on the following:

- What is the optimal operating structure for rail in New Zealand?
- What is the appropriate role for Government in funding rail in New Zealand?





Cycling

"Cycling is increasing across the country as it becomes easier and people look for a healthy way of getting from A to B. National supports investment in cycling infrastructure across New Zealand."

Chris Bishop

Spokesperson for Transport

National is proud of its investment in cycling infrastructure across New Zealand, including Ngā Haerenga: The National Cycle Trail. Cycling is increasing across the country as it becomes easier and people look for a healthy way of getting from A to B. National supports investment in cycling infrastructure across New Zealand. To further encourage the uptake of cycling, we are proposing:

Cycle Lanes

There are now hundreds of kilometres of protected cycle paths and shared paths across New Zealand that are separated from the road. Many of these are high-quality, safe, and designed to be used by cyclists. Motorists get frustrated when cyclists continue to use roads

and motorways where a dedicated, separated cycle path runs parallel to the road. National proposes that in areas where these cycle paths exist, cyclists must use them.

Expanding the Bikes in Schools initiative

National began government support for Bikes in Schools by working with the charity to allow schools to use their capital funding for building cycle tracks. When we were in government, National had a goal of doubling the number of schools running the Bikes in Schools programme by 2021. National is interested in how we can expand this scheme and/or alternative ways of getting children to take up cycling.

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We want your thoughts on the following:

- Do you have any new ideas to get more kids cycling?

- National supports cycling infrastructure across New Zealand.
- National proposes requiring cyclists to use cycle lanes where they exist.
- National proposes expanding the Bikes in Schools initiative.





Transport and Emissions

"Our electricity system is over 85 per cent renewable, so when people charge their cars they are essentially pumping water, wind and geothermal energy into them rather than petrol or diesel from fossil fuels."

Chris Bishop

Spokesperson for Transport

About 20 per cent of New Zealand's total greenhouse gas emissions come from the transport sector, with road transport emissions having increased by more than 90 per cent since 1990.

Electric Vehicles

New Zealand is perfectly placed to transition our vehicle fleet to electric vehicles (EVs). Our electricity system is over 85 per cent renewable, so when people charge their cars they are essentially pumping water, wind and geothermal energy into them rather than petrol or diesel from fossil fuels. The average urban commute is only 22 kilometres and more than 85 per cent of NZ homes have off-street parking, making charging easy.

For this reason, in 2016 National introduced an Electric Vehicles Programme that included continued exemption for EVs from road user charges, along with initiatives such as public education and plans to dramatically increase the number of EVs in the government fleet.

Kiwis are driving EVs in increasing numbers, although they still represent less than one per cent of the total vehicle fleet. National believes the simple economics of EVs will see New Zealanders switch to them in increasing numbers. We reject the Government's complicated "feebate" scheme, which will see New Zealanders with little or no choice to buy particular types of cars stung with a hefty tax.

As EVs grow in popularity it is important that the public charging network grows too. So far, the

private sector and councils have done a good job at providing for the growing popularity of EVs but the Government could also play a role in accelerating the network's development.

Fuel Efficiency Standard

New Zealand does not have a regulated vehicle fuel efficiency standard. However, our cars are becoming more fuel efficient over time.

The Government's proposed vehicle fuel efficiency standard is highly ambitious but completely unworkable. The average emissions level for new and used light vehicles imported by New Zealand in 2018 was about 180g CO₂/km. Only a small proportion (1.4 per cent) of the nearly 500,000 new light vehicles imported since 2016 have had an emissions level below the proposed standard 105g CO₂/km.

No country in the world has achieved the rate of CO₂ reduction from their fleet that would be required by the Government's standard. The fuel efficiency standard will end up becoming just another tax on consumers.

National does support the concept of a fuel efficiency standard but it must be practical, achievable, and developed in conjunction with industry, similar to overseas schemes. New Zealand is a technology taker and it makes no sense to create a unique scheme.

- National rejects the Government's complicated "feebate" scheme because it will tax New Zealanders for buying cars they have little or no choice to buy.
- National proposes to investigate the concept of a fuel efficiency standard that is practical, achievable, and developed in conjunction with industry, similar to overseas schemes.

We want your thoughts on the following:

- What do you think the Government should do, if anything, to help develop the EV charging network?



Aviation

"As a small trading nation at the bottom of the world we depend on good aviation links to facilitate the movement of people and goods around the world."

Brett Hudson

Associate Spokesperson for Transport

The aviation sector is critical to New Zealand's success on the global stage. As a small trading nation at the bottom of the world we depend on good aviation links to facilitate the movement of people and goods around the world.

Some of our biggest export industries, like tourism, rely on safe and efficient air links. International tourism expenditure for the year ended March 2018 was \$16.2 billion (20.6 per cent of total exports of goods and services). This was a rise of 9.6 per cent from the year before.

Similarly, freight by air is becoming an increasingly valuable industry for New Zealand. In 2018, 16.3 per cent (\$10 billion worth) of overseas cargo was exported from airports and 22.6 per cent (\$14.5 billion) of overseas cargo was imported into airports.

Growth in the aviation sector is being supported by significant investments by our national carrier, Air New Zealand, as well as Auckland and Wellington Airport. Auckland Airport has announced a \$1.8 billion investment package to upgrade infrastructure and support growing passenger and flight demand. Wellington Airport recently announced a \$1 billion expansion plan. Air New Zealand has announced significant investment in its air fleet and international network.

The aviation sector is important and we need to ensure that we are putting in place policies that continue to support the growth and value of the sector.

Domestic Aviation Reporting: Comparison of different regimes

Domestic Aviation Reporting	Australia	NZ	UK	US	Europe
Passengers	✓	✗	✓	✓	✓
Seats	✓	✗	✗	✓	✓
Flights	✓	✗	✓	✓	✓
Fare	✓	✗	✗	✓	✓
Costs	✗	✗	✗	✓	✓
On Time Performance	✓	✗	✓	✓	✓

Source: The New Zealand Airports Association.

Regulation

It is important that our aviation services support all of our regions, and that there is competition, if possible, across the country.

National believes there could be a larger role for agencies like the Commerce Commission to assess the way airlines in New Zealand operate.

National is also proposing greater data collection and transparency around competition, pricing, activity levels and performance from airlines. Airport pricing is effectively price-controlled, but airport costs form a very small proportion of the ticket price – about 5 per cent. Little is known publicly about the other 95 per cent of an air ticket.

Drones and Safety

Aviation is an area where technology is constantly evolving. Technology increases the productivity of the sector in most cases, but some technologies add new pressures that need to be managed.

In particular, the uptake of drone technology in New Zealand requires focus from Government. The rapid advancement of drones for commercial and recreational purposes is putting pressure on the ability of our systems to respond to new opportunities, as well as risks.

Drones have enormous potential for adding value. Their capacity to be used for freight and filmography, among other things, is fast being tested. But as we have seen with several recent examples, they also pose risks to safety when they are used recklessly and without thought of how a drone may interfere with existing aviation rules.

Making sure aircraft, pilots and passengers are safe must be a priority. Policy options, such as new offences for using drones in flight paths and take-down powers for aviators, need to be explored.

We want your thoughts on the following:

- What options should be considered for addressing drone use in New Zealand and should we introduce harsher penalties for people who violate civil aviation rules with drones?

- National proposes a larger role for agencies, such as the Commerce Commission, to assess the way airlines operate on domestic routes in New Zealand.
- National proposes greater data collection and transparency around competition, pricing, activity levels and performance from airlines.





Ports

"Our ports are critical pieces of infrastructure for the wider economy. They move thousands of tonnes of freight in and out the country each year, supporting more than 16 million tonnes of freight per quarter or more than 65 million tonnes per year."

Chris Bishop

Spokesperson for Transport

New Zealand is an island nation that is reliant on efficient and productive ports across the country. New Zealand's largest container ports are the Port of Auckland, Port of Tauranga, Port of Napier, Port Nelson, CentrePort, Lyttleton Port of Christchurch, PrimePort Timaru, Port Otago and South Port. We are also served by larger sea ports in Gisborne, Whangārei and Taranaki alongside smaller sea ports up and down the country.

Our ports are critical pieces of infrastructure for the wider economy. They move thousands of tonnes of freight in and out the country each year, supporting over 16 million tonnes of freight per quarter or more than 65 million tonnes per year. This equates to approximately \$100 billion in imports and exports per year.

Global trade is expected to continue growing despite recent headwinds. Freight by ship has been an increasing proportion of total freight movements globally since the turn of the millennium. It will remain important to ensure New Zealand's ports have the support to manage the high volume of freight that flows through our border and into the wider economy. There are different views about whether or not the Port of Auckland should move. National knows this is a complicated issue, which is why we want to see a proper business case before any decision is made.

Growing Vessel Sizes

The size of container vessels continues to grow. For example, the largest container vessel to

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visit New Zealand at the end of 2016 had a capacity of more than 10,000 TEUs (twenty foot equivalent container units), compared with the largest capacity of 5000 TEUs in early 2016.

Cruise Ships

Passenger numbers from cruise ships have more than quintupled since 2009. Cruises are an important part of our tourism story and it will be important for ports to continue to invest in the infrastructure required to support cruise ship visits.

A Dry Dock for New Zealand?

New Zealand's existing largest dry dock at Devonport Naval Base in Auckland is now too small to service much of the country's coastal fleet. This means all Cook Strait ferries, other large commercial ships and the HMNZS Canterbury have to travel to dry dock in Sydney, Singapore or further afield for regular maintenance and repairs. We are interested in whether there is a case for the establishment of a dry dock in New Zealand.

We want your thoughts on the following:

- Is there a case for the establishment of a dry dock in New Zealand?
- What implications does the rise of larger vessels (and potentially fewer visits by ships) have for our ports and the wider economy?
- As cruise ship numbers increase, what role should Government play to encourage continued investment by ports in the required infrastructure?



National's Transport and Infrastructure Team

2019



Hon Simon Bridges
National Party Leader



Hon Paul Goldsmith
Spokesperson for
Infrastructure



Chris Bishop
Spokesperson for Transport



Hon David Bennett
Associate Spokesperson for
Infrastructure



Brett Hudson
Associate Spokesperson for
Transport



Hon Todd McClay
Spokesperson for Tourism



Hon Jacqui Dean
Spokesperson for Local
Government



Melissa Lee
Spokesperson for
Broadcasting,
Communications and
Digital Media



Denise Lee
Spokesperson for Local
Government (Auckland)

Feedback

National's Vision

Please fill out the below (feel free to add any additional comments) and post them to:

FREEPOST PARLIAMENT
Hon Paul Goldsmith
Parliament Buildings
Wellington

Post to Parliament is free so you don't need to add a stamp. You can also visit national.org.nz for an online version.

The Infrastructure Pipeline

	Agree	Disagree
1. National will develop a clear pipeline of major infrastructure projects.	<input type="checkbox"/>	<input type="checkbox"/>
2. National supports the Infrastructure Commission as a way to achieve long-term certainty but we believe it needs to be properly resourced if it is to have any meaningful impact.	<input type="checkbox"/>	<input type="checkbox"/>
3. We propose to further strengthen the role of the Infrastructure Commission by requiring it to undertake post-completion reviews of good and bad procurement projects to enable knowledge to be shared across the government sector.	<input type="checkbox"/>	<input type="checkbox"/>

We want your thoughts on the following:

- Has the New Zealand Infrastructure Commission got the powers that it needs?

Innovative Infrastructure Funding and Financing

	Agree	Disagree
4. National will use private capital to help build the critical infrastructure New Zealand needs.	<input type="checkbox"/>	<input type="checkbox"/>
5. National is considering new approaches to infrastructure financing and procurement, including commercial revenue schemes, partnerships with the private sector, and capital injections from general government spending.	<input type="checkbox"/>	<input type="checkbox"/>
6. National believes taxes on road users should be spent for the benefit of road users.	<input type="checkbox"/>	<input type="checkbox"/>

We want your thoughts on the following:

- Would you support the establishment of a competitive infrastructure fund for local councils to progress infrastructure development that would otherwise not happen?

Reducing the Cost of Infrastructure

We want your thoughts on the following:

- What barriers, such as the size of New Zealand's workforce, are in the way of leading international firms coming to New Zealand and competing to provide infrastructure?
- How can the Government remove barriers to encourage more competition in infrastructure procurement?
- Should we consider going further with separate fast-track consenting arrangements for major infrastructure projects?
- Are there sufficient protections from regulatory uncertainty for investors in critical infrastructure?

Infrastructure Delivery

	Agree	Disagree
7. National is considering establishing more dedicated and specialist teams to manage infrastructure delivery.	<input type="checkbox"/>	<input type="checkbox"/>
8. National proposes establishing a new Water Infrastructure Fund to assist city and rural councils to improve water quality, supporting more sustainable agriculture and resilience to climate change.	<input type="checkbox"/>	<input type="checkbox"/>

We want your thoughts on the following:

- Do you think the Government focuses adequately on whole-of-life costs when procuring new projects?

Connecting Communities

	Agree	Disagree
9. National believes local councils should make greater use of private capital to deliver the new infrastructure ratepayers need.	<input type="checkbox"/>	<input type="checkbox"/>
10. National believes all regions can share in the economic benefits of tourism.	<input type="checkbox"/>	<input type="checkbox"/>

We want your thoughts on the following:

- What tools can be used to address the unique pressures faced by councils with high tourism and low rating bases so they can deliver the infrastructure they need without placing too much burden on existing ratepayers?
- Should high-growth councils be treated differently or given different tools to respond to their unique growth pressures?
- How can central government help local government use more private capital to build infrastructure?
- The New Zealand Initiative says local government funding arrangements should be changed so councils have a greater incentive to approve development. Do you support this?

- How can we lessen the burden upon ratepayers to meet the cost of tourism-related infrastructure without increasing taxes or rates?
 - Should councils receiving high numbers of tourist visits be given assistance to provide infrastructure?
 - Is the sustainability of tourism infrastructure funding important, and what role can the continuation of National's Tourism Growth Partnership and the Tourism Infrastructure Fund play in this?
-
-

The Construction & Infrastructure Workforce

	Agree	Disagree
11. National is committed to increasing secondary participation in vocational education.	<input type="checkbox"/>	<input type="checkbox"/>
12. National believes we need to strengthen partnerships between industry and schools in New Zealand to improve opportunities for young people to have better career experiences.	<input type="checkbox"/>	<input type="checkbox"/>
13. National proposes to invest more to financially support schools to assist students in transport or mentoring who have fewer opportunities to participate in careers experience or vocational training. This could involve partnering in more programmes with businesses schools and the community.	<input type="checkbox"/>	<input type="checkbox"/>
14. National proposes to invest in greater careers partnerships including more work experience opportunities between industry and clusters of schools or Communities of Learning.	<input type="checkbox"/>	<input type="checkbox"/>
15. National proposes creating a contestable fund that would allow schools to bid for projects that strengthen vocational pathways between schools and industry.	<input type="checkbox"/>	<input type="checkbox"/>
16. National supports increasing the number of apprenticeships.	<input type="checkbox"/>	<input type="checkbox"/>

Our Transport Objectives

	Agree	Disagree
17. National proposes the following transport objectives: reducing congestion in our cities; better connecting our regions; a focus on freight; reducing our emissions; improving the liveability of our cities; and making our system safer.	<input type="checkbox"/>	<input type="checkbox"/>

We want your thoughts on the following:

- What do you think of National's proposed transport objectives?
 - Do you think one of these transport objectives is more important than the others?
-
-

Transport Funding

	Agree	Disagree
18. National will repeal the Auckland Regional Fuel Tax and will not increase fuel taxes in our first term.	<input type="checkbox"/>	<input type="checkbox"/>

- | | | |
|---|--------------------------|--------------------------|
| 19. National is open to innovative funding options as a means to increase transport investment and stop endless fuel tax increases. | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. National proposes the following innovative funding mechanisms: moving to Road User Charges for all vehicles over time, Crown contributions, greater use of private capital, as a means of delivering more transport infrastructure. | <input type="checkbox"/> | <input type="checkbox"/> |

We want your thoughts on the following:

- What do you think about moving to road user charges for all vehicles over the medium-to-long term?
 - Do you think that Government contributions should play a greater role in funding our transport needs?
 - What do you think about using public-private partnerships, including toll roads, to fund transport projects?
-
-

Roads

- | | Agree | Disagree |
|---|--------------------------|--------------------------|
| 21. National proposes reintroducing a priority for funding Roads of National Significance funding. | <input type="checkbox"/> | <input type="checkbox"/> |
| 22. National proposes introducing a new funding priority of Roads of Regional Significance to assist in funding high value regional roading projects. | <input type="checkbox"/> | <input type="checkbox"/> |
| 23. National commits to introducing legislation that will implement a comprehensive roadside drug testing regime. | <input type="checkbox"/> | <input type="checkbox"/> |
| 24. National proposes recommitting to our Safer Roads and Roadsides programme, which will improve roads through increasing the use of median barriers, side barriers, shoulder widening, and rumble strips, as well as fix dangerous intersections and corners. | <input type="checkbox"/> | <input type="checkbox"/> |
| 25. National proposes to decrease the use of random speed cameras and increase the use of speed cameras in sign-posted high-risk areas. | <input type="checkbox"/> | <input type="checkbox"/> |

We want your thoughts on the following:

- What do you think about the second generation Roads of National Significance? Are there any particular projects you think deserve a high priority, and why?
 - Do you support the introduction of Roads of Regional Significance?
 - What measures do you think the Government should take to address our road toll?
 - Do you support the introduction of oral fluid roadside drug testing?
 - What do you think of the proposed speed limit reductions happening at the moment?
-
-

Public Transport and Congestion

	Agree	Disagree
26. National proposes the introduction of congestion charging that will help efficiently manage the flow of traffic. Any charging scheme would be revenue-neutral.	<input type="checkbox"/>	<input type="checkbox"/>
27. National supports ride-sharing, particularly car-pooling, as a means of decongesting our cities.	<input type="checkbox"/>	<input type="checkbox"/>
28. National proposes rolling out modern integrated ticketing, such as contactless cards, to pay for public transport and accelerating their introduction.	<input type="checkbox"/>	<input type="checkbox"/>
29. National proposes greater accountability of Auckland Transport.	<input type="checkbox"/>	<input type="checkbox"/>
30. National proposes introducing new regional transport authorities in Wellington and Canterbury that would run the public transport systems (buses and trains) as well as manage cycling, parking and roading.	<input type="checkbox"/>	<input type="checkbox"/>

We want your thoughts on the following:

- What is the role of the Government in helping facilitate or support the expansion of ride-sharing apps in our major cities?
 - Should we introduce new regional transport authorities in Wellington and Canterbury that would oversee public transport (buses and trains) as well as cycling, parking and roading?
 - What regulation, if any, would you like to see on the use of e-scooters?
 - Do you support the rollout of integrated ticketing to public transport and should this be one system across New Zealand, or should different regions use different systems?
-
-

Rail

We want your thoughts on the following:

- What is the optimal operating structure for rail in New Zealand?
 - What is the appropriate role for Government in funding rail in New Zealand?
-
-

Cycling

	Agree	Disagree
31. National supports cycling infrastructure across New Zealand.	<input type="checkbox"/>	<input type="checkbox"/>
32. National proposes requiring cyclists to use cycle lanes where they exist.	<input type="checkbox"/>	<input type="checkbox"/>
33. National proposes expanding the Bikes in Schools initiative.	<input type="checkbox"/>	<input type="checkbox"/>

We want your thoughts on the following:

- Do you have any new ideas to get more kids biking and cycling?

Transport and Emissions

	Agree	Disagree
34. National rejects the Government's complicated "feebate" scheme because it will tax New Zealanders for buying cars they have little or no choice to buy.	<input type="checkbox"/>	<input type="checkbox"/>
35. National proposes to investigate a concept of a fuel efficiency standard that is practical, achievable, and developed in conjunction with industry, similar to overseas schemes.	<input type="checkbox"/>	<input type="checkbox"/>

We want your thoughts on the following:

- What do you think the Government should do, if anything, to help develop the EV charging network?

Aviation

	Agree	Disagree
36. National proposes a larger role for agencies, such as the Commerce Commission, to assess the way airlines operate on domestic routes in New Zealand.	<input type="checkbox"/>	<input type="checkbox"/>
37. National proposes greater data collection and transparency around competition, pricing, activity levels and performance from airlines.	<input type="checkbox"/>	<input type="checkbox"/>

We want your thoughts on the following:

- What options should be considered for addressing drone use in New Zealand and should we introduce harsher penalties for people who violate civil aviation rules with drones?

Ports**We want your thoughts on the following:**

- Is there a case for the establishment of a dry dock in New Zealand?
- What implications does the rise of larger vessels (and potentially fewer visits by ships) have for our ports and the wider economy?
- As cruise ship numbers increase, what role should Government play to encourage continued investment by ports in the required infrastructure?

Comments:

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.



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